



COUNTY OF LOS ANGELES  
CHIEF INFORMATION OFFICE

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493 HALL OF ADMINISTRATION  
LOS ANGELES, CALIFORNIA 90012

JON W. FULLINWIDER  
CHIEF INFORMATION OFFICER

TELEPHONE: (213) 974-2008  
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May 6, 2002

To: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Yvonne Brathwaite Burke, Chair Pro Tem  
Supervisor Gloria Molina  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: Jon W. Fullinwider  
Chief Information Officer

Subject: **MAY STATUS REPORT ON THE LOS ANGELES COUNTY  
ERP/ADMINISTRATIVE SYSTEMS REPLACEMENT RFP INITIATIVE**

This status report describes the activities of the Los Angeles County Administrative System (LACAS) Project Team for the month of April 2002. We provided an interim report on April 25<sup>th</sup> informing your Board that we received five proposals in response to the LACAS Request for Proposal (RFP), and that we had informed one of the vendors, AMS, that their proposal was determined to be non-responsive. This week, one of the workgroups reported that they could not evaluate the joint KPMG/Oracle proposal because significant implementation services for four financial modules were missing. Project Management reviewed the cost worksheets and determined that the vendor did not price these missing financial modules, which are a critical requirement. The vendor indicated that these four modules would be included in a second phase for which the County would have to negotiate a second agreement. As with the AMS proposal, we consulted County Counsel and Internal Services Department's Purchasing and Contracts, and determined that the omission in KPMG/Oracle's proposal was fundamentally material so as to render the proposal non-responsive to the RFP. The KPMG proposal was pulled from the evaluation process. KPMG, as the prime contractor, has been notified that their proposal is non-responsive to the RFP (attachment).

## **CURRENT STATUS/ACCOMPLISHMENTS**

- The oversight LACAS Evaluation Committee and the Workgroups finalized the evaluation criteria to be used in scoring the LACAS proposals.
- Orientation sessions regarding the evaluation process, expectations and schedule for completion of the process were conducted for evaluators on April 8<sup>th</sup>, April 9<sup>th</sup> and April 11<sup>th</sup>.
- Five proposals were received on April 15<sup>th</sup> 2002. One was determined to be non-responsive. The remaining four proposals were distributed to the 27 workgroups evaluating the responses on April 17<sup>th</sup> and April 18<sup>th</sup>. Workgroups started meeting to complete the evaluation process. KPMG was later rejected for being non-responsive to the proposal; there are now three proposals being evaluated.
- Vendor demonstrations were scheduled for the weeks of May 20<sup>th</sup> and June 3<sup>rd</sup> at the Rancho Los Amigos facility.
- The LACAS web site was activated and is available for review on the LA County Intranet at <http://lacasweb.co.la.ca.us/>.
- The LACAS Executive Management Group met on April 18<sup>th</sup> to review and approve the evaluation calendar (attached), and to discuss the project management structure and budgeting issues.
- Workgroups finalized the scripted demonstrations for the vendor demonstration in May and June.

## **ACTIVITIES DURING MAY**

- Final Workgroup results are scheduled for Monday, May 6<sup>th</sup>.
- The oversight LACAS Evaluation Committee will meet on May 8<sup>th</sup> to finalize recommendations to the LACAS Executive Management Committee as to which two proposals should be elevated to the scripted demonstration phase.
- The LACAS Executive Management Committee will meet on May 9<sup>th</sup> to select the final two vendors for scripted demonstrations.
- Final vendors will be notified May 10<sup>th</sup>. Preparatory notices have already been sent to alert prospective vendors to be available on the scheduled demonstration dates.

Each Supervisor  
May 6, 2002  
Page 3

- Scripted demonstrations will start on May 20<sup>th</sup>. Implementation partners to the selected software packages have been scheduled for an interview the following week after the demonstrations.

The next status report will be submitted the first week of June. If you have questions, please direct them to Howard Baker or me at (213) 974-2008.

JWF:HB:jsl

#### Attachments

c: Chief Administrative Officer  
Executive Officer, Board of Supervisors  
All Department Heads  
LACAS Executive Management  
All Departmental ERP Coordinators  
Raoul Freeman, Information Systems Commission

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# COUNTY OF LOS ANGELES

## Internal Services Department

1100 North Eastern Avenue  
Los Angeles, California 90063



United We Stand

JOAN OUDERKIRK  
Director

TELEPHONE: (323) 267-2314  
FACSIMILE: (323) 415-8663

May 1, 2002

Mr. Michael H. Johnson  
Managing Director  
KPMG Consulting, Inc.  
355 South Grand Avenue, Suite 2000  
Los Angeles, CA 90071-1568

Dear Mr. Johnson:

### **REQUEST FOR PROPOSAL, RFP 207789, ENTERPRISE RESOURCES PLANNING SOFTWARE AND IMPLEMENTATION**

The County of Los Angeles hereby notifies KPMG Consulting, Inc. (KPMG) that its proposal response to RFP No. 207789 is incomplete and non-responsive, and cannot be evaluated. The basis for the County's decision is provided below.

*Complete Cost Proposal. County's Right to Reject Proposals.* RFP Section 6.6 (page 44) requires that vendors provide a complete cost proposal for software and services. "The County is asking proposers to state costs for all categories with the understanding that they may have to make assumptions. Failure to provide cost and work effort information is likely to lead to elimination prior to software demonstrations." In this regard, Section 3.6 of the RFP provides a checklist to ensure submission of a complete proposal. The second bullet point of Section 3.6 specifically provides that "All cost information must be submitted in a separate binder. The proposal shall be clear and concise, providing all the information requested herein. Statements submitted without the required information will not be considered."

*KPMG's Proposal.* KPMG's proposal does not provide implementation costs for all financial modules requested in the RFP. The proposal response (2.1 Scope of Services, Page 2-2) states that the KPMG implementation will be comprised of three phases. Phase II is "Financials Additional Modules and Functionality" which includes Grants, Projects and Project Billing, Order Management, Purchasing (Advanced), iProcurement (Advanced) and Treasury (Exhibit 2.1.1 LACAS High-Level Implementation Timeline by Phase). The County's Request for Proposal in Section 6.2 defined the scope of the financial modules requested by the County. Section 2.1 clearly states that the proposal must include implementation services for all financial functionality, which includes projects, inventory, grants, cost accounting and purchasing. Your proposal grouped this financial functionality in Phase II of the overall project proposal. KPMG has opted not to include implementation services and related costs for financial modules included in Phase II. Section 24.3, Page 24-12 states "the scope and

Ltr to Mr. Johnson  
May 1, 2002  
Page 2

focus of this proposal are Phase I." KPMG's decision to not provide complete implementation services information and costs constitutes a failure to offer a comprehensive solution, as required in the RFP. (See, e.g., the first paragraph on page 2 and the first sentence of Section 2.1 of the RFP.) Consequently, the implementation services, proposed pricing, and KPMG's proposal are materially incomplete.

*Failure to Provide Complete Proposal by the Deadline.* Section 3.4 of the RFP requires all proposals to be delivered to the County by 4:00 p.m. on April 15, 2002, and provides, that "There will be no extensions to the Proposal due date." As indicated above, KPMG failed to provide a complete proposal by this deadline. As also indicated above, KPMG's omissions were not minor ones, but instead concerned pricing for a component that is clearly described in the RFP as being fundamental to the project. Moreover, by KPMG's own admission, these omissions were not inadvertent, but instead were made intentionally. For these reasons, the County has determined that KPMG's proposal will be withdrawn from the evaluation process.

*Administrative Review Process.* We have attached a description of the review process for this solicitation. Should you decide to contest the County's decision, you must strictly comply with all of the deadlines and procedures set forth in the attachment.

The County appreciates your effort in submitting a proposal. Should you have further questions regarding this matter, please contact the undersigned at 323-267-2314 or e-mail [haloftern@isd.co.la.ca.us](mailto:haloftern@isd.co.la.ca.us).

Very truly yours,

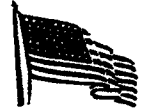
  
Harold A. Lofton  
Section Manager,  
Technology Acquisition

1 Attachment  
Administrative Review Process

cc: ISD/Contracts/Kathy Hanks, C.P.M.  
CIO/Mr. Jon Williams



**COUNTY OF LOS ANGELES**  
**Internal Services Department**  
1100 North Eastern Avenue  
Los Angeles, California 90063



United We Stand

JOAN OUDERKIRK  
Director

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May 1, 2002

**PROJECT: LACAS ERP**  
**RFP No.: 207789**

**REQUEST DEADLINE: May 20, 2002**  
**PROPOSER: KPMG**

**NOTICE: PROCEDURE FOR ADMINISTRATIVE  
REVIEW REQUESTS**

This Notice is to inform you that you may request administrative review of the department's decision that your firm's proposal will not advance to the next stage of evaluation and/or recommendation to the Los Angeles County Board of Supervisors.

Any such request for administrative review ("Request") must strictly comply with each of the following requirements:

The Request shall include a copy of this Notice as the cover-sheet;

The Request shall itemize in full and complete detail each matter presented, as well as the factual and/or legal reason(s) for the requested review;

The Request shall be delivered to:

Kathy Hanks, C.P.M.  
County of Los Angeles  
Internal Services Department  
1100 Eastern, Room 100  
Los Angeles, CA 90063

The Request must be received by the County no later than 4:00 p.m. on the Request Deadline set forth above.

Any Request which strictly complies with the foregoing will be referred for consideration by County reviewer(s) not otherwise involved with the evaluation process.